

Message Text

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43

ACTION EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-14 ISO-00 AEC-11

AID-20 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02

FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01

PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20 STR-08 TRSE-00

PA-04 PRS-01 USIA-15 DRC-01 /225 W

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R 170924Z MAY 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 2814

INFO AMEMBASSY ABU DHABI

USINT ALGIERS

USINT BAGHDAD

AMEMBASSY BEIRUT

USMISSION EC BRUSSELS

AMEMBASSY CAIRO

AMEMBASSY CARACAS

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIBREVILLE

AMEMBASSY LONDON

USMISSION OECD PARIS

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

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STATE ALSO FOR T/IEP

E. O. 11652: N/A

TAGS: ENRG, OPEC, AU

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SUBJECT: OPEC EMPLOYS CONSULTANTS FOR FOUR STUDIES

1. MEMBER OF OPEC TECHNICAL DEPARTMENT HAS INFORMED EMBOFF THAT OPEC HAS RECENTLY AWARDED CONSULTING CONTRACTS FOR FOUR STUDIES AS FOLLOWS:

A. STUDY ON ALTERNATIVE SOURCES OF ENERGY. CONTRACTS FOR SEPARATE, INDEPENDENT STUDIES HAVE BEEN AWARDED TO CHEM-SYSTEM, A LONDON-BASED AMERICAN FIRM, AND TO PARRAS, RAMOS AND PARRA OF VENEZUELA. ACCORDING TO SOURCE, THIS STUDY IS TO DEFINE PROPER SUBSTITUTION OF OIL AND GAS BY OTHER ADEQUATE SOURCES, MAINLY TAR SANDS, OIL SHALE, COAL, AND NUCLEAR ENERGY.

B. STUDY ON IMPACT OF PRICING OF OIL ON BALANCE OF PAYMENTS OF CONSUMER COUNTRIES INCLUDING NON OIL-PRODUCING LDC'S. SEPARATE INDEPENDENT CONTRACTS FOR THIS STUDY AWARDED TO PROF. ZUHARY MIKDASHI, PROFESSOR OF BUSINESS ADMINISTRATION, AMERICAN UNIVERSITY OF BEIRUT, AND TO ECONOMIST INTELLIGENCE UNIT, LONDON.

C. CONSTRUCTION OF A WORLD ENERGY MODEL. THIS WILL BE A 2-STEP STUDY, FIRST, A WORLD OIL AND GAS MODEL THAT WILL BE EXPANDED IN A SECOND STEP TO AN ENERGY MODEL ENCOMPASSING ALL ENERGY SOURCES. SOURCE SAID THIS STUDY AIMS TO DETERMINE, FIRST, INTRINSIC VALUE OF CRUDE, THEN RELATIVE VALUE OF OIL IN COMPARISON WITH OTHER ENERGY SOURCES. THE STUDY SHOULD CONSIDER OPTIMIZATION OF REFINING PROCESSES (E.G., STUDY BEST SITES, AND METHODS OF REFINING, PROPERLY ASSESS COST OF REFINING, TRANSPORTING AND DISTRIBUTING OIL PRODUCTS.) A CONTRACT FOR THE WORLD ENERGY MODEL HAS BEEN AWARDED TO GENEVA RESEARCH CENTER OF BATTELLE INSTITUTE. ACCORDING SOURCE, AWARD OF SEPARATE CONTRACT TO VIENNA UNIVERSITY FOR WORLD ENERGY MODEL STILL PENDING (BUT SEE VIENNA 3738 WHICH REPORTS A DIFFERENT OPEC SOURCE AS STATING THAT AWARD OF CONTRACT TO VIENNA UNIVERSITY OUT OF CONSIDERATION).

D. STUDY TO IDENTIFY ENERGY CONTENT OF FINISHED PRODUCTS AND ANALYZE EFFECT OF ALTERNATIVE ENERGY PRICE LEVELS ON THE PRICES OF THESE PRODUCTS. CONTRACT FOR THIS STUDY HAS BEEN AWARDED TO GENEVA RESEARCH CENTER OF BATTELLE INSTITUTE.

2. SOURCE STATED THAT STUDIES LISTED UNDER 1 A AND B ABOVE WOULD PROBABLY TAKE 3-6 MONTHS, WHILE CONSTRUCTION OF WORLD ENERGY MODEL WILL TAKE TWO YEARS. HUMES

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